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## **China Power International Development Limited**

**中國電力國際發展有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 2380)**

### **CONNECTED TRANSACTION**

#### **Acquisition of 31% Equity Interest in Dazhou Energy**

On 12 September 2025, the Company, Yanchang Petroleum Mining, Sichuan Company and Target Company entered into the Equity Transfer Agreement, pursuant to which, the Company agreed to acquire and Sichuan Company agreed to sell 31% equity interest in Dazhou Energy at a consideration of RMB31,000,000 plus a capital commitment and a post-completion capital contribution of total RMB427,800,000, in aggregate of RMB458,800,000 (equivalent to approximately HK\$504,176,000).

As at the date of this announcement, CPI Holding owns approximately 59.42% of the issued share capital of the Company and is the controlling shareholder of the Company. Sichuan Company is a wholly-owned subsidiary of CPI Holding. CPI Holding, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Accordingly, entering into the Equity Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, it is therefore subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board announces that the Company, as the Transferee, entered into the Equity Transfer Agreement on 12 September 2025 in relation to the acquisition of 31% equity interest in Dazhou Energy, which holds the development right to the “Northeast Sichuan High Efficiency Clean Coal Power Comprehensive Utilization Integrated Project” in Sichuan Province, the PRC.

## **THE EQUITY TRANSFER AGREEMENT**

### ***Date***

12 September 2025

### ***Parties***

- (i) the Company, the Transferee;
- (ii) Yanchang Petroleum Mining, the Transferee;
- (iii) Sichuan Company, the Transferor; and
- (iv) Dazhou Energy, the Target Company.

### ***Assets to be acquired***

Pursuant to the Equity Transfer Agreement, the Company and Yanchang Petroleum Mining agreed to acquire, and Sichuan Company agreed to sell 31% and 49% equity interests, respectively, in Dazhou Energy.

Dazhou Energy is a limited liability company incorporated in the PRC in July 2023 and a wholly-owned subsidiary of Sichuan Company. As at the date of this announcement, it has a registered capital of RMB500,000,000, of which a paid-up capital of RMB100,000,000. It is principally engaged in power generation, power transmission, power supply and distribution business, and production and sales of heat. Dazhou Energy directly holds the development right to the “Northeast Sichuan High Efficiency Clean Coal Power Comprehensive Utilization Integrated Project”, under which the first phase of development is to build two ultra-supercritical coal-fired power generating units with a total installed capacity of 2,000MW located in Sichuan Province of the PRC. Details of Dazhou Energy’s shareholding structure and financial information are set forth in the section below headed “INFORMATION OF THE TARGET COMPANY”.

### ***Consideration and payment terms***

The aggregate consideration for acquisition of 31% equity interest in Dazhou Energy is RMB458,800,000 (equivalent to approximately HK\$504,176,000) which is payable by the Company in the following manner:

- (i) A consideration of RMB31,000,000 payable in cash to Sichuan Company for transfer of its 31% equity interest in Dazhou Energy to the Company. A 50% of the consideration shall be paid within 10 working days following the execution of the Equity Transfer Agreement, and the remaining 50% shall be paid within 10 working days upon Completion.
- (ii) A capital commitment to fully pay up the existing registered capital of Dazhou Energy of RMB500,000,000 by its equity holders in proportion to their respective equity holdings by 31 December 2027. Accordingly, the Company shall pay RMB124,000,000 for its 31% equity interest in Dazhou Energy.

- (iii) A post-completion capital contribution to increase the existing registered capital of Dazhou Energy from RMB500,000,000 to RMB1,480,000,000 in accordance with the future development progress of the Project, and shall be contributed by its equity holders in proportion to their respective equity holdings. Accordingly, the Company shall contribute RMB303,800,000 for its 31% equity interest in Dazhou Energy.

The aggregate consideration of the Acquisition will be financed by internal resources of the Group.

### **Completion**

The Completion of the Equity Transfer Agreement shall be subject to the satisfaction (or waiver, where applicable) of the following conditions:

- (i) the change in registration of state-owned property rights of Dazhou Energy has been completed;
- (ii) the change of industrial and commercial registration of Dazhou Energy to reflect the change in its shareholding has been completed;
- (iii) the certificates of capital contribution have been issued by Dazhou Energy to the Company and Yanchang Petroleum Mining;
- (iv) updating the register of members of Dazhou Energy pursuant to the Equity Transfer Agreement; and completing all necessary documentation and formalities for registration or filing in accordance with the relevant regulatory authorities for the change of equity interest in Dazhou Energy and approval for such filings having been obtained, including the registration of the change of shareholding, directors, supervisors, senior management and articles of association; and
- (v) the issuance of a new business license.

### **INFORMATION OF THE TARGET COMPANY**

Set out below is the shareholding structure of Dazhou Energy:

<b>Shareholding before the Acquisitions</b>	<b>Paid-up capital</b>	<b>Unpaid capital</b>	<b>Registered capital</b>	<b>Equity Interest</b>
<b><i>Equity holder</i></b>	<b><i>RMB '000</i></b>	<b><i>RMB '000</i></b>	<b><i>RMB '000</i></b>	<b><i>%</i></b>
Sichuan Company	100,000	400,000	500,000	100%

<b>Shareholding after the Acquisitions</b>	<b>Paid-up capital</b>	<b>Committed injection</b>	<b>Registered capital</b>	<b>Equity Interest</b>
<b><i>Equity holder</i></b>	<b><i>RMB '000</i></b>	<b><i>RMB '000</i></b>	<b><i>RMB '000</i></b>	<b><i>%</i></b>
Sichuan Company	20,000	80,000	100,000	20%
Yanchang Petroleum Mining	49,000	196,000	245,000	49%
<b>The Company</b>	<b>31,000</b>	<b>124,000</b>	<b>155,000</b>	<b>31%</b>
Total	100,000	400,000	500,000	100%

<b>Post-completion capital contribution arrangement</b>	<b>Existing registered capital</b>	<b>Expected increase in capital</b>	<b>Expected registered capital</b>	<b>Equity Interest</b>
<i><b>Equity holder</b></i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>%</i>
Sichuan Company	100,000	196,000	296,000	20%
Yanchang Petroleum Mining	245,000	480,200	725,200	49%
<b>The Company</b>	<b>155,000</b>	<b>303,800</b>	<b>458,800</b>	<b>31%</b>
Total	500,000	980,000	1,480,000	100%

Set out below is a summary of the audited financial information of Dazhou Energy for the two financial years ended 31 December 2024 and 2023 prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC:

	As at 31 December 2024 <i>RMB '000</i>	As at 31 December 2023 <i>RMB '000</i>
Net assets*	2,200,000	--

	For the year ended 31 December 2024 <i>RMB '000</i>	For the year ended 31 December 2023 <i>RMB '000</i>
Net profit before tax	--	--
Net profit after tax	--	--

\* The above net assets were represented by the total equity of a paid-up capital of RMB100,000,000 and a perpetual bond of RMB2,100,000,000 (which was arranged in December 2024 after the Valuation Benchmark Date and such perpetual bond was classified as an equity instrument in accordance with the relevant PRC accounting standards).

Upon Completion, Dazhou Energy will become an associate of the Company and be accounted for under the equity method by the Company.

## **BASIS OF CONSIDERATION**

The consideration of the Acquisitions was arrived at after arm's length negotiations between the contracting parties taking into account of the following factors:

- (i) the appraised net asset value of Dazhou Energy, based on the Valuation Report prepared by the Independent Valuer as at the Valuation Benchmark Date (30 November 2024) using the asset-based approach of RMB100,000,000; and

- (ii) the percentage of equity interest in Dazhou Energy to be acquired by the Transferees, i.e. 31% to be acquired by the Company and 49% to be acquired by Yanchang Petroleum Mining.

As at the Valuation Benchmark Date, Dazhou Energy had not yet carried out any operational activities and the Project was at its preliminary stage, the income approach was deemed inappropriate since its forecasted earnings would be largely based on estimated parameters with great uncertainty. As there was a lack of comparable companies and transaction data, the market-based approach was also not adopted. The asset-based approach was chosen as it provided a more reasonable estimation of the fair value of the equity holder's interest of Dazhou Energy with better precision and accuracy than the other valuation methods.

According to the Valuation Report, both the appraised value and net asset book value (not including the perpetual bond) of Dazhou Energy were RMB100,000,000, reflecting neither appreciation nor depreciation in value as at the Valuation Benchmark Date. For details in relation to valuation assumptions and input parameters, please refer to the appendix to this announcement.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

According to the Sichuan Province's "14th Five-Year Plan" for Energy Development (《四川省「十四五」能源發展規劃》), it addressed the issue of unbalanced and insufficient energy development which was reflected by the recurring periodic power shortages during the peak seasonal demand for electricity. It further stressed the need to enhance the peak-load regulating capacity of traditional energy source as a reliable backup power to support the development of renewable energy. The Company's strategic investment in Dazhou Energy aligns with the national policies.

Dazhou Energy possesses the development right to the "Northeast Sichuan High Efficiency Clean Coal Power Comprehensive Utilization Integrated Project" in Sichuan Province of the PRC, which is positioned to serve as a vital peak-shaving resource to alleviate peak-load pressures on the Sichuan power grid and enhance the overall reliability of the province's power supply.

The Acquisition also introduced Yanchang Petroleum Mining as a strategic partner through the "coal plus coal-fired power joint operation" (煤電聯營) industrial model. Yanchang Petroleum Mining has committed to ensuring a reliable coal supply and stable coal prices through future long-term coal supply agreements with Dazhou Energy. The Company believes that this strategic arrangement is expected to enhance Dazhou Energy's future yields and profitability while establishing a solid foundation of synergic development for all its shareholders.

The Directors (including the independent non-executive Directors) are of the view that, as far as the shareholders of the Company are concerned, the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms, and the Acquisition contemplated thereunder is in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the Acquisition contemplated under the Equity Transfer Agreement or is required to abstain from voting on the relevant Board resolutions.

## **INFORMATION OF THE COMPANY AND THE GROUP**

The Company is the core and flagship listed subsidiary of SPIC. The Group is principally engaged in generation and sales of electricity in Mainland China, including investment, development, operation and management of hydropower, wind power, photovoltaic power and thermal power plants, and provision of energy storage, green power transportation, and integrated intelligent energy solution services. Its businesses are located in various major power grid regions of China.

## **INFORMATION OF SICHUAN COMPANY**

Sichuan Company is a limited liability company incorporated in the PRC in June 2012. As at the date of this announcement, Sichuan Company is a wholly-owned subsidiary of CPI Holding, while CPI Holding is wholly owned by SPIC. Sichuan Company is principally engaged in power generation, power transmission, power supply and distribution, as well as the installation, maintenance, and testing of electrical facilities.

## **INFORMATION OF SPIC**

SPIC is the ultimate controlling shareholder of the Company. It is an investment holding company principally engaged in businesses that cover various sectors, including power, coal, aluminum, logistics, finance, environmental protection and high-tech industries in the PRC and abroad. SPIC, together with its subsidiaries, is an integrated energy group which simultaneously owns thermal power, hydropower, nuclear power and renewable energy resources in the PRC.

## **INFORMATION OF YANCHANG PETROLEUM MINING**

Yanchang Petroleum Mining is a limited liability company incorporated in the PRC in November 2009. It is principally engaged in resources exploration, energy and chemical development and utilization, electricity generation and sales, as well as the investment and construction of railway and road facilities in mining areas. Yanchang Petroleum Mining is a wholly-owned subsidiary of and ultimately controlled by Yanchang Petroleum Group, a State-owned enterprise incorporated in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Yanchang Petroleum Mining and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CPI Holding owns approximately 59.42% of the issued share capital of the Company and is the controlling shareholder of the Company. Sichuan Company is a wholly-owned subsidiary of CPI Holding. CPI Holding, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Accordingly, entering into the Equity Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, it is therefore subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition(s)”	the acquisitions of 31% and 49% equity interests in Dazhou Energy by the Company and Yanchang Petroleum Mining, respectively, from Sichuan Company pursuant to the Equity Transfer Agreement, and <b>individually the “Acquisition” refers only to the Company’s acquisition of 31% equity interest in Dazhou Energy</b>
“Board”	the board of Directors of the Company
“Company” or “Transferee”	China Power International Development Limited (中國電力國際發展有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition. Details of which is set out in the section headed “Completion” in this announcement
“CPI Holding”	China Power International Holding Limited, a company incorporated in Hong Kong with limited liability, the controlling company of the Company and a wholly-owned subsidiary of SPIC
“Dazhou Energy” or “Target Company”	達州興川能源有限公司 (Dazhou Xingchuan Energy Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Sichuan Company
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	the agreement dated 12 September 2025 entered into between the Company, Yanchang Petroleum Mining, Sichuan Company and Dazhou Energy in relation to the Acquisitions
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Valuer”	ChungRui World Union Appraisal Group Co., Ltd. (中瑞世聯資產評估集團有限公司), a qualified asset valuer in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MW”	megawatt, that is, one million watts. The installed capacity of a power plant is generally expressed in MW which is a unit of measurement for the output of power generation
“Northeast Sichuan High Efficiency Clean Coal Power Comprehensive Utilization Integrated Project” or “Project”	the project comprised of two development phases. The first phase is to build two ultra-supercritical coal-fired power generating units with a total installed capacity of 2,000MW. The subsequent phase is intended to establish an innovative integration base of “coal power + new energy + integrated smart zero-carbon power plant” located in Dazhou City of Sichuan Province of the PRC
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sichuan Company” or “Transferor”	國家電投集團四川電力有限公司 (SPIC Sichuan Power Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CPI Holding
“SPIC”	國家電力投資集團有限公司 (State Power Investment Corporation Limited*), the ultimate controlling shareholder of the Company, a wholly State-owned enterprise established by the approval of the State Council
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transferee(s)”	the Company and Yanchang Petroleum Mining, collectively the “Transferees” or individually the “Transferee”, in respect of the Acquisitions contemplated under the Equity Transfer Agreement
“Valuation Benchmark Date”	30 November 2024, the date on which the appraised value of Dazhou Energy was determined as set out in the Valuation Report
“Valuation Report”	the valuation report prepared by the Independent Valuer in relation to the appraised value of Dazhou Energy as of the Valuation Benchmark Date
“Yanchang Petroleum Group”	陝西延長石油(集團)有限責任公司 (Shaanxi Yanchang Petroleum (Group) Co., Ltd.*), a State-owned enterprise incorporated in the PRC with limited liability
“Yanchang Petroleum Mining” or “Transferee”	陝西延長石油礦業有限責任公司 (Shaanxi Yanchang Petroleum Mining Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Yanchang Petroleum Group

\* English or Chinese translation, as the case may be, is for identification purposes only



This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.91 to HK\$1.00. The translation shall not be taken as representation that the Renminbi could actually be converted into Hong Kong dollars at that rate, or at all.

By Order of the Board  
**China Power International Development Limited**  
**HE Xi**  
*Chairman*

Hong Kong, 12 September 2025

*As at the date of this announcement, the directors of the Company are: executive directors HE Xi and GAO Ping, non-executive directors HU Jiandong, ZHOU Jie, HUANG Qinghua and CHEN Pengjun, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.*

## **APPENDIX**

### **Key assumptions used in the valuation**

#### **General Assumptions:**

1. Open market assumption: an assumption regarding the market conditions that an asset is intended to enter and the potential impact these conditions will have on the asset. Open market refers to fully developed and efficient market conditions, characterized by a competitive environment of buyers and sellers with access to resources. In this context, buyers and sellers have equal standing and the opportunity to obtain sufficient market information. Both parties are willing, rational, and operate without coercion or restrictions. The open market assumption is grounded on the basis that assets can be openly bought and sold in the market.
2. Going concern assumption: the going concern assumption considers the overall assets of the enterprise as the focal point of assessment. This implies that the enterprise, as an operating entity, is expected to continue its operations in alignment with its established objectives within the external environment. The management of the enterprise is responsible and capable of fulfilling its duties, ensuring that the enterprise operates legally and generates sufficient profits to sustain its ongoing operations.
3. Utilization of assets according to current purpose assumption: assumes the assets within the scope of the assessment are currently in use and will continue to be utilized in the same manner, without accounting for potential changes in their usage or optimal utilization conditions.
4. Transaction assumption: assumes that all assets to be appraised are already in the process of being transacted, the Independent Valuer conducts the appraisal based on a simulated market that reflects the trading conditions of those assets.

#### **Special Assumptions:**

1. There will be no significant changes in the relevant laws, regulations, and policies currently in effect, nor in the national macroeconomic situation, following the Valuation Benchmark Date. It is expected that the political, economic, and social environments in the regions where the parties involved in this transaction are located will remain stable.
2. The management of the appraised entity, following the Valuation Benchmark Date, is responsible, stable and capable of fulfilling its duties in their position.
3. There are no other force majeure or unforeseen factors that will cause a significant adverse impact on the appraised entity following the Valuation Benchmark Date.
4. The relevant basic and financial information provided by the client and the appraised entity are true, accurate, and complete.
5. The financial reports and transaction data of the comparison companies utilized by the Independent Valuer are accurate and reliable.

## **Input parameters and calculation process of the valuation**

Pursuant to the Valuation Report and the valuation method adopted, as at the Valuation Benchmark Date, the appraised net asset value of Dazhou Energy was the sum of (1) the appraised value of current assets; and (2) the appraised value of non-current assets, minus (3) the liabilities.

### **1. Current assets**

The current assets of Dazhou Energy primarily included cash and cash equivalents and other receivables.

Inputs and computation process for value of current assets:

- A. Cash and cash equivalents were evaluated based on its verified book value.
- B. Other receivables mainly included the deposit paid for land use rights, the Independent Valuer makes a detailed analysis of the amount owed, the time and reason of debt, the collection status of the debt, the creditworthiness of the debtor. Based on the examination of each other receivable, the Independent Valuer determines the appraised value by evaluating the amounts likely to be recovered from each debtor.

### **2. Non-current assets**

The non-current assets of Dazhou Energy included construction in progress and other non-current asset.

Inputs and computation process for value of non-current assets:

- A. Construction in progress was evaluated based on its verified book value.
- B. Other non-current asset mainly included the input VAT, which was evaluated based on its verified book value.

### **3. Liabilities**

The liabilities of Dazhou Energy consisted solely of current liabilities, which included employee wages payable and other payables.

The appraised value for liabilities is determined by the actual liabilities that Dazhou Energy should bear.

As of the Valuation Benchmark Date, both the appraised value and net asset book value of Dazhou Energy were RMB100,000,000, reflecting neither appreciation nor depreciation in value as of the Valuation Benchmark Date.

According to the Valuation Report, the Independent Valuer confirmed that the perpetual bond of RMB2.1 billion arranged in December 2024, which simultaneously increased both the current assets and the equity value of Dazhou Energy after the Valuation Benchmark Date, would have had no impact to the concluded appraised value of Dazhou Energy under the assets-based approach.